

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2094 - SB 2510

February 15, 2018

SUMMARY OF BILL: Authorizes any licensed insurance producer to deliver business to a surplus lines agent for placement. Authorizes surplus line agents to share commissions with other licensed insurance producers. Removes restrictions on non-surplus lines producers from soliciting or negotiating coverage of surplus lines policies.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 56-14-108(b), a person must be licensed as a surplus lines agent to engage in the transaction of surplus lines insurance or act as an agent for a non-admitted insurer in the solicitation, negotiation, procurement or effectuation of surplus lines insurance.
- Surplus lines agents are licensed biannual for a \$120 fee.
- Passage of this legislation would allow any licensed insurance producer to deliver business to a surplus lines agent for placement.
- Based on information provided by the Department of Commerce and Insurance, it is assumed there will not be a significant decrease in the number of surplus lines licensed agents because a surplus lines policy must still be placed by a licensed surplus lines agent.
- No significant change in the number of licensed surplus lines agents; therefore, no significant change in license fee revenue.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- Allowing any licensed insurance producer to deliver business to a surplus lines agent for placement will not significantly impact jobs or commerce in Tennessee.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/vlh